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SUBJECT: JERUSALEM MEDIA REACTION (5/22): "PALESTINE INVESTMENT
CONFERENCE: A STEP TOWARDS A PALESTINIAN STATE?"

Main Stories:

Coverage of the Palestine Investment Conference (PIC), complete with photos, continues to dominate the front and inside pages of all the dailies. Reports focused on quotes from President Abbas's opening speech, which began with a statement hailing the Lebanese agreement and welcoming the Israeli-Syrian negotiations (see additional coverage below). Al-Quds headlined its report with "The President Inaugurates Palestine Investment Conference amid a Huge Political, Economic, Foreign, and Arab Crowd," and highlighted his comments about the need to reunite with Gaza on the condition that Hamas return control of the Strip to the Palestinian Authority, the status of East Jerusalem, and the importance of security and economy when pursuing the road to peace. Al-Hayat Al-Jadida opened with a quote by Abbas in bold black letters: "The Palestine Investment Conference is a turning point in the lives of our people, but the current situation is not rosy." Reports in all dailies highlighted the announcement by a Saudi corporation to invest \$250 million in a construction project in the West Bank and quoted heads of delegations emphasizing the importance of investment in supporting the Palestinian economy and state. Dr. Hasan Abu Libdeh, CEO of the PIC, downplayed expectations of the conference, noting that while it is hoped that it will attract about \$200 billion in investment, the conference is meant primarily to lay the groundwork for future cooperation and he does not expect significant financial commitments at this time. Inside pages of the dailies reported on meetings that occurred during the conference and agreements of support signed by different Arab and foreign investors.

All dailies included front-page mentions of American participation in the PIC and announcements of support by members of the U.S. delegation. All reports noted that American officials announced

U.S. funding of economic projects valued at hundreds of millions of dollars. The inside pages of all three dailies included multiple articles detailing the announcements and comments by the delegation.

They quoted Deputy Secretary of the Treasury Robert Kimmit saying, "the Palestine Investment Conference being held in Bethlehem in the West Bank constitutes a part of the economic track included in Annapolis as one of three tracks paving the road towards the establishment of a Palestinian State." These reports also named the participants in, and noted the high level of, the U.S. presidential delegation and continued with details of American assistance through OPIC and USTDA. The second page of Al-Quds carried a comprehensive report about the meeting of the American delegation with Palestinian officials in Jerusalem entitled, "Wallis Renews the Commitment of his Country to Support Palestinian Economic Growth." The same page also featured a photo of President Abbas welcoming Deputy Secretary Kimmit in Bethlehem. Additionally, the on-line news site, Ekhabariyat, ran a U.S. Consulate General Jerusalem-produced press release on its economic page with a large photo of an American flag.

The simultaneous announcement by Damascus, Tel Aviv and Ankara about ongoing "indirect" Israeli-Syrian peace negotiations mediated by Turkey received front-page coverage in all dailies. A Syrian official noted that, "each party expressed their desire to conduct negotiations with good will and decided to continue with serious dialogue to achieve the goal of a comprehensive peace in accordance with the Madrid Peace Accord." Reuters reported from Qatar that Syrian Foreign Minister Walid Mualeem stated that Israel committed itself to withdrawing from the Golan, back to the "4th of July 1967 line" and that he hopes Israel is serious about the negotiations.

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In related coverage, all dailies highlighted remarks by Olmert that negotiations with Syria are not easy but are a national duty. In its front-page headline, Al-Ayyam quoted Olmert saying, "we are ready to make difficult compromises."

All dailies front paged reports on last night's air-strike by Israeli forces in Gaza and the subsequent injury of five children. Al-Hayat Al-Jadida features a photo of a bloodied infant being treated at a Gaza hospital. Coverage also noted that Israeli Special Forces infiltrated the area of Johr Eddik in Gaza and assassinated a member of the Al-Qassam brigades, affiliated with Hamas. The front page of all dailies carried news that Israel refuted reports that they have already agreed to a truce with Hamas, and reiterated that no deal will be accepted that does not include the release of kidnapped soldier Gilad Shalit and ends all rocket fire from Gaza. Reports claim that the Israeli army has received orders to prepare for a broad military operation in Gaza. Al-Ayyam titled its coverage, "Israel downplays the hopes of reaching a truce soon: The issue is not yet settled."

The Israeli intention to construct new houses in the Bitar Elit settlement near Jerusalem received front page coverage in all dailies. Al-Ayyam's coverage was accompanied with a photo of an Israeli bulldozer demolishing six apartments belonging to Palestinians in the Al-Tour neighborhood of East Jerusalem. Reports indicated that Israel intends to build 286 housing units in the settlement, as was announced yesterday by the Israeli Housing Ministry. Bitar Elit, with a current population of 32,000 people, is considered the third largest settlement in the West Bank. Al-Ayyam's report referred to this construction as a violation of the roadmap, highlighting that it is the second such violation since Annapolis.

News of the Lebanese "Doha agreement" also received front-page coverage.

BLOCK QUOTES:

1. In its main editorial, independent daily Al-Quds opined under the title, "Investment Conference... between reality and expectation" (05/22): "There is no doubt that having the Palestinian Investment Conference happen is a success in itself, and

that is not a stretch of the truth or exaggeration. In addition to Palestinian businessmen and investors, hundreds of Arab and foreign investors have realized that it is possible to invest in Palestine, and moreover, had the courage to attend the conference and search for various opportunities for work and investments; this is a success for the Palestinian stand... But we know, as everyone else does, that the occupation lies heavily on [Palestinians'] hearts and is actively, both directly and indirectly, working to hinder development. The occupation is an obstacle in face of investment because as the saying goes, capital is a coward and when there is no guarantee of its safety, it will not usually venture forth; hence just as proclaimed earlier, just by having this conference take place and having investors attend, we have achieved success. We are standing between great expectations and hard reality; our hopes are soaring for a bright tomorrow while being pulled down by the weight of the occupation and the hard reality it imposes. This experience [the Investment Conference] is vital, and we wish success for the conference and the investment laws that Abu Mazen promised for the protection of the investors. This might alleviate the suffocating situation that we are living in."

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12. Independent daily Al Ayyam carried an op-ed by regular columnist Talal Okal under the title, "Only a little time is left" (05/22): "What President Bush said in front of the Israeli Knesset on the 15th of May - which angered President Mahmoud Abbas, the Egyptian President Hosni Mubarak (who preferred not to listen to the speech while attending the Davos forum), and all the Palestinian and Arab people - what Bush said was not a slip of a tongue or an unintended mistake because of an emotional moment. Bush reinforced what he announced at the Knesset and completed it without shame - totally siding with Israel and fully supporting Israel's words and actions. This impressed the former advisor of Sharon, Dov Weisglass, who said that no Israeli official can express Israel's stand better than the American president did. In Sharm Al-Sheikh, once again, Bush intentionally ignored the Palestinian rights... [Secretary] Rice, in her next visit to the region, which is happening soon according to American announcements, has to work really hard to explain and justify her President's opinion. She also has to work to take away some of the anger - but cannot take away all of it - from President Mahmoud Abbas and the Palestinian leadership, since she shares her boss's beliefs. What Bush said and announced is really hard to justify."

WALLES